

AMENDED IN SENATE APRIL 23, 2003

AMENDED IN SENATE MARCH 26, 2003

SENATE BILL

No. 967

Introduced by Senator Burton

(Coauthors: Senators Brulte, Johnson, and Scott)

**(Coauthor: ~~Assembly Member Firebaugh~~ McPherson, Scott,
and Vasconcellos)**

(Coauthors: Assembly Members Firebaugh and Wesson)

February 21, 2003

An act to amend Sections 94800, 94802, and 94905 of, to amend and renumber Section 94740.1 of, and to add Sections 94740.3 and 94740.5 to, the Education Code, relating to postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

SB 967, as amended, Burton. Postsecondary education: Private Postsecondary and Vocational Education Reform Act of 1989: regionally accredited institutions.

Existing law, known as the Private Postsecondary and Vocational Education Reform Act of 1989, generally sets minimum standards of instructional quality, ethical and business practices, health and safety, and fiscal responsibility for private postsecondary and vocational educational institutions, as defined. The act establishes the Bureau for Private Postsecondary and Vocational Education, which, among other things, is required to review and investigate all institutions, programs, and courses of instruction approved under the act. Numerous terms are defined for the purposes of the act.

This bill would define "regional accrediting agency" and "regionally accredited institution" for the purposes of the act.

The bill would add to the act a presumption that a regionally accredited institution meets the general standards for all postsecondary institutions approved under the act. *The bill would require the bureau to report to the Legislature its findings and recommendations regarding the operation of this presumption.*

The bill would require a regionally accredited institution to include, in its application to operate in this state, a copy of the certificate of accreditation issued by the regional accrediting agency. The bill would require the bureau to determine that a regionally accredited institution meets prescribed requirements before granting the institution approval to issue degrees. The bill would also make related technical changes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 94740.1 of the Education Code is
2 amended and renumbered to read:
3 94740.7. “Registered,” “registered institution,” or
4 “registered educational service” means any individual or
5 organization that offers an educational service and is registered to
6 operate under Article 9.5 (commencing with Section 94931).
7 SEC. 2. Section 94740.3 is added to the Education Code, to
8 read:
9 94740.3. “Regional accrediting agency” means one of the
10 following agencies recognized by the United States Department of
11 Education as possessing similar quality and rigor in accreditation
12 standards:
13 (a) Middle States Association of Colleges and Schools,
14 Commission on Higher Education.
15 (b) New England Association of Schools and Colleges,
16 Commission on Institutions of Higher Education.
17 (c) North Central Association of Colleges and Schools, The
18 Higher Learning Commission.
19 (d) Northwest Association of Schools and of Colleges and
20 Universities, Commission on Colleges and Universities.
21 (e) Southern Association of Colleges and Schools,
22 Commission on Colleges.
23 ~~(f) Western Association of Schools and Colleges, Accrediting~~
24 ~~Commission for Senior Colleges and Universities.~~

SEC. 3. Section 94740.5 is added to the Education Code, to read:

94740.5. “Regionally accredited institution” means a degree-granting institution that has been accredited by one of ~~six~~ the regional accrediting agencies recognized by the United States Department of Education. ~~It does not include an institution that has provisional accreditation, has applied for accreditation, or is listed in Section 94740.3. It does not include any of the following:~~

(a) An institution within the meaning of paragraph (7) of subdivision (b) of Section 94739 that has been accredited by the senior commission or the junior commission of the Western Association of Schools and Colleges.

(b) An institution that has provisional accreditation.

(c) An institution that has applied for accreditation.

(d) An institution that is identified by an accrediting agency as a candidate for accreditation.

SEC. 4. Section 94800 of the Education Code is amended to read:

94800. All institutions approved under this chapter shall be maintained and operated, or in the case of a new institution, shall demonstrate that it will be maintained and operated, in compliance with all of the following minimum standards:

(a) That the institution is financially capable of fulfilling its commitments to its students.

(b) That upon satisfactory completion of training, the student is given an appropriate degree, diploma, or certificate by the institution, indicating that the course or courses of instruction or the program or programs of instruction or study have been satisfactorily completed by the student.

(c) That the institution provides instruction as part of its educational program. Instruction shall include any specific, formal arrangement by an institution for its enrollees to participate in learning experiences wherein the institution’s faculty or contracted instructors present a planned curriculum appropriate to the enrollee’s educational program.

(d) (1) A regionally accredited institution, as defined in Section 94740.5, is presumed to meet the minimum educational standards required by this chapter.

1 (2) *The bureau shall annually report to the Legislature its*
2 *findings and recommendations regarding the operation of the*
3 *presumption established by paragraph (1).*

4 SEC. 5. Section 94802 of the Education Code is amended to
5 read:

6 94802. (a) Each institution desiring to operate in this state
7 shall make application to the bureau, upon forms to be provided
8 by the bureau. The application shall include, as a minimum, at least
9 all of the following:

10 (1) A catalog published, or proposed to be published, by the
11 institution containing the information specified in the criteria
12 adopted by the bureau. The catalog shall include specific dates as
13 to when the catalog applies.

14 (2) A description of the institution's placement assistance, if
15 any.

16 (3) Copies of media advertising and promotional literature.

17 (4) Copies of all student enrollment agreement or contract
18 forms and instruments evidencing indebtedness.

19 (5) The name and California address of a designated agent upon
20 whom any process, notice, or demand may be served.

21 (6) The information specified in Section 94808.

22 (7) The institution's most current financial report as described
23 in Section 94806.

24 (8) An application submitted by a regionally accredited
25 institution, as defined in Section 94740.5, shall include a copy of
26 the certificate of accreditation issued by the regional accrediting
27 agency, as defined in Section 94740.3.

28 (b) Each application shall be signed and certified under oath by
29 the owners of the school or, if the school is incorporated, by the
30 principal owners of the school (those who own at least 10 percent
31 of the stock), or by the corporate officers or their designee.

32 (c) Following review of the application and any other further
33 information submitted by the applicant, or required in conformity
34 with Article 8 (commencing with Section 94900) and Article 9
35 (commencing with Section 94915), and any investigation of the
36 applicant as the ~~council~~ bureau deems necessary or appropriate,
37 the bureau either shall grant or deny approval to operate to the
38 applicant.

39 SEC. 6. Section 94905 of the Education Code is amended to
40 read:

1 94905. (a) (1) Any regionally accredited institution, as
2 defined in Section 94740.5, that is approved by the bureau to
3 operate at the time of the issuance of a degree may issue degrees,
4 diplomas, or certificates. Except for continuing education
5 programs and programs that are exclusively avocational or
6 recreational in nature, accredited public or private postsecondary
7 educational institutions incorporated in another state shall not
8 offer degrees, diplomas, or certificates in California unless they
9 comply with this section.

10 (2) *A regionally accredited institution approved to operate*
11 *pursuant to this section, and any and all of its program offerings,*
12 *are subject to the requirements of Article 13 (commencing with*
13 *Section 94950).*

14 (b) The bureau shall not approve a regionally accredited
15 institution to issue degrees, diplomas, or certificates pursuant to
16 this section until the bureau has determined that the institution has
17 complied with all of the following requirements:

18 (1) The institution meets the financial responsibility
19 requirements set forth in paragraph (2) of subdivision (a) of
20 Section 94804.

21 (2) The institution's cohort default rate on guaranteed student
22 loans does not exceed 15 percent for the three most recent years,
23 as published by the United States Department of Education.

24 (3) The institution submits to the bureau copies of ~~the its~~ *its*
25 *most* recent Integrated Postsecondary Education Data System
26 Report of the United States Department of Education and its
27 accumulated default rate.

28 (4) The institution pays fees in accordance with Section 94932.

29 (5) The institution has submitted an application to operate for
30 itself or a branch or satellite campus pursuant to Section 94802 or
31 an application for renewal pursuant to Section 94840.

32 (c) A regionally accredited institution shall be required to
33 notify the bureau of the addition of a degree program that is not
34 included in the institution's initial or renewal application within 90
35 days of adding the program. If a regional accrediting agency, as
36 defined in Section 94740.3, requires approval of the additional
37 degree program, a copy of the certificate of accreditation or
38 approval shall be included with the notice to the bureau, and no
39 additional review or investigation of the program shall be required
40 by the bureau. If the regional accrediting agency does not require

1 approval of the additional degree program, the institution shall
2 include its most recent certificate of accreditation with the notice
3 to the bureau, and no additional review or investigation of the
4 program or institution shall be required by the bureau. *Nothing in*
5 *this subdivision shall be construed to limit the authority of the*
6 *bureau to investigate student complaints.*

7 (d) A regionally accredited institution approved to operate
8 pursuant to this section is exempt from the requirements of
9 Sections 94900 and 94901, Article 9 (commencing with Section
10 94915), and Article 9.5 (commencing with Section 94931). Any
11 regionally accredited institution that is not approved to operate
12 pursuant to this section may apply for approval to operate pursuant
13 to Sections 94900 and 94901.

